

**Mental Health, Developmental Disabilities and Substance Abuse Services
To
Children in Custody of Social Services**

July 1, 1997-June 30, 1998

**Prepared by MH/DDSAS
Child and Family Services
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Background

Children are taken into custody by the county Departments of Social Services following a substantiation of child abuse or neglect. For most of these children, custody and placement into foster care follows life situations that are disruptive to psychological growth and development. Many if not most children in foster care have significant psychological/psychiatric problems requiring therapeutic interventions to help them overcome their earlier, damaging experiences and/or the trauma of separating from their families.

To develop appropriate services to address the psychological/psychiatric needs of these children requires the joint efforts of the Divisions of Social Services (DSS) and Mental Health, Developmental Disabilities and Substance Abuse Services (MH/DD/SAS). Important steps in the planning process are 1) to determine what services are being provided to which parts of this population and 2) what remaining needs exist. The information provided below addresses the first part of this process.

Method of Study

Sources of Data: Data on services provided to children, under age 18, in DSS custody and paid by Medicaid were obtained from the Medicaid paid claims reports. The time period was July 1, 1997-June 30, 1998 and was based on the date of service. Data from the Medicaid waiver sites, Carolina Alternatives, are presented separately, as these data are recorded in a different manner. In some categories, data from the Carolina Alternatives sites are not available, as information about the population in DSS custody are not differentiated from other Medicaid eligible populations. Data are provided for services delivered through the 40 Area MH/DD/SA Programs, the state hospitals, private psychiatrists and non-state hospital settings.

The data cover all services reimbursed by Medicaid but do not include 1) any services provided that are not part of the State Medicaid Plan, or 2) any covered service that was not considered medically necessary. The former would include respite care and some other services; the latter might include treatment in a psychiatric hospital beyond the time period of medical necessity. Both types of non-covered services would be financed through other mental health payment sources, such as state or local dollars. The data used in this report were completed in December 1998. These data include almost all claims, by date of service, for State FY 97-98. There may be a small amount of claims not filed or claims in dispute; however, this should be a small amount given the lapse in time since the end of the fiscal year. Case management services provided by DSS are not included.

Because the best data source available is the Medicaid paid claims data, and given the possibility of uncovered services and unreported services, the Medicaid data may be an underestimation of children served, services provided and dollars spent. To provide a fuller picture of state mental health resources used, additional information was obtained directly from the programs at Wright School, Whitaker School and the Willie M residential treatment programs, as these programs do not receive Medicaid payments. Services in these facilities are paid with state funds.

Display of Data: Data are provided by county by 1) the number of children served, 2) types of services provided and number of units of services provided, and 3) dollars spent.

1. The number of children receiving services through the Area Programs is an unduplicated count. Those receiving inpatient services, private outpatient psychiatric services, non-state hospitals and those served in Wright School, Whitaker School and the Willie M residential treatment programs might also have received services through the Area Programs, so they are not counted again.
2. The dollars spent include the federal, state and local shares. Expenditures for services provided under the CAP-MR waiver have not been included. Although developmental disability and substance abuse services are included, they are a very small part of the total.
3. The services included are:
 - Case management
 - Outpatient treatment (area program and private psychiatrist)
 - Day treatment
 - Residential treatment
 - Psychiatric hospital (state hospital and non-state hospital)

Findings

Population: The total number of children in DSS custody at any time during State FY97-98 was 16,852. The total number who received mental health, substance abuse or developmental disabilities services through Area programs was 5,022, which is 29.8% of the total in foster care. Of this population of 5,022 served, 1,662 were served in the Carolina Alternative sites.

Services reimbursed by Medicaid were provided to approximately 27,000 children. The total count of those served was 28,999 but this was reduced to eliminate the possibility of duplicate counting. Duplicate counting could occur for those who entered the system for mental health services and then may have entered at another time for substance abuse or developmental disability services. As the latter two groups were quite small, this reduction makes the total served a very conservative figure. The 5,022 receiving services through the Area Programs represent approximately 18.6% of the total Medicaid population (27,000) of those under age 18.

Although there may be some duplication in the figures of those served by Area Programs and those served in the private sector, it is a reasonable assumption from the data that approximately 1,000 additional children received services from private psychiatrists or private psychiatric

hospitals. This addition brings the total served to 6,022, representing 35.8% of the population in DSS custody and 22.4% of the Medicaid population served.

A review by county of the population served reflects that in some counties, greater proportions of the children in DSS custody received services. Assuming that the percent in need of services is approximately the same regardless of the county, it can be assumed that this disparity in service provision is related to many possible factors, including 1) the availability of services; 2) the perception of need by DSS; 3) the referral relationship between the Area Program and the County DSS; 4) the responsiveness of the Area Program to DSS referrals and other variables.

Dollars: The total dollars spent on Medicaid eligible children through the 40 Area Programs was \$138,346,717 and the total of these dollars spent on children in foster care was \$42,651,337, or 30.1%. Thus, 18.6% of the population served received 30.1% of the resources. The average cost of services provided to the target population was **\$8,493**.

Children in DSS custody received additional services to the \$42,651,337 spent for services by MH/DD/SAS area programs. Of this amount, \$12,497,282 reflects the Carolina Alternative sites. An additional amount of state dollars, \$2,378,111 was spent in services provided by Wright School, Whitaker School and Willie M residential programs and \$1,443,719 was spent in state hospital care. The latter figure does not include the Carolina Alternative sites and therefore is an underestimation of expenditures in state hospitals.

Total expenditures through MH/DD/SAS programs were \$46,473,167. In the private sector, \$535,155 was spent for psychiatric outpatient services and \$4,247,489 for inpatient services, for a total of private service \$4,782,644. MH/DD/SAS and private services paid by Medicaid for mental health, developmental disabilities and substance abuse problems were \$51,255,811.

**Total Expenditures for Children in DSS Custody
For MH/DD/SAS Services, SFY97-98**

Area Programs	MH/DD/SAS- State hospitals	Wright/Whitaker & Willie M	Private Providers	TOTAL
\$42,651,227	\$1,443,719	\$2,378,111	\$4,782,644	\$51,255,811

Services: As noted above, examination of the provision of services across counties demonstrates that the amount of service utilization is not directly related to the number of children in DSS custody. Clearly, in some areas, the Medicaid expenditures per child are much higher than in other areas, primarily because of the uneven use of residential services. Across the state, the expenditures for residential services totaled \$19,342,659. Combined with inpatient services, the total is \$25,033,867. This figure is 48.8% of the total expenditures for mental health services, public and private, inpatient and residential. Adding to the 5,022 served by Area Programs approximately 1,000 served in the private sector, the average cost per child served is **\$8,543**.

**Expenditures for Children in DSS Custody
for Residential/Hospital Services, SFY97-98**

Residential IV-E Eligible	Residential Non- IV-E Eligible	Wright,Whitaker & Willie M	State Inpatient	Private Inpatient	TOTAL
\$8,482,229	\$8,482,319	\$2,378,111	\$1,443,719	\$4,247,489	\$25,033,867

The High Risk Intervention (HRI) services totaled \$16,954,548 or 39.8% of the Area Program Medicaid expenditures of \$42,651,227.

Even given this high percentage of residential and hospital use, it is noteworthy that 60.2% of the total expenditures, that is the majority of expenditures, for this population was for community-based, non-residential services. This figure reflects a considerable amount of community based services, as the cost of a residential/inpatient unit is substantially higher than the cost of a non-residential/non-inpatient unit of service; thus appreciably more non-residential/non-hospital services were provided.

As only 35.8% of children in DSS custody received services, there is strong reason to believe that substantially more services are required by this very vulnerable, at-risk population.